FINANCE REPORT FOR ET DISCUSSION

April 2015

FINANCIAL OVERVIEW & KEY RISK AREAS

DP Income

Although DP Income continues to be a key risk to the ICO, we believe that our estimates and projections will only improve over the coming year as our registration knowledge and comparable data grows.
This year, we are estimating a prudent increase in fees of 3% to 18M from our total fee income in 2014/15 of 17.5M.
Year to date actual income is £1.341M, as budgeted for April.

Cash Underspend

We face a very significant risk of underspending due to an unpredictable income stream. We will continue to diminish this risk by:

- Review of income forecasts each month for accuracy/ prudence
- Fee income strategic work around how we set our fee levels
- Isolate key spend areas or projects that could be accelerated or put on hold for a quick turnaround if our environment changed with little notice
- Balance sheet reporting and cash flow reports are being developed and will be available once the purchase management system has been installed – expected to be in by August 2015

Capital Spend

Our 'allocated' capital budget from the MOJ remains in review however we will be reporting against our budget submission of £850k from 01 April until formal approval is received. We have been assured that our Grant in Aid is not to change from the budgeted £3.7M.

Budget Review Update

Budget reviews went live this month with general good results. Improvements will continue over the coming months, with reports being available through a web link rather than software. Budget holder comments have helped form the top level review included in this reporting pack.

Purchase Management System

Due in June/ July, the purchase management system with reduce significant system and control risks for the finance function but may cause disruption to the wider business without the appropriate level of buy-in and responsibility from budget holders.

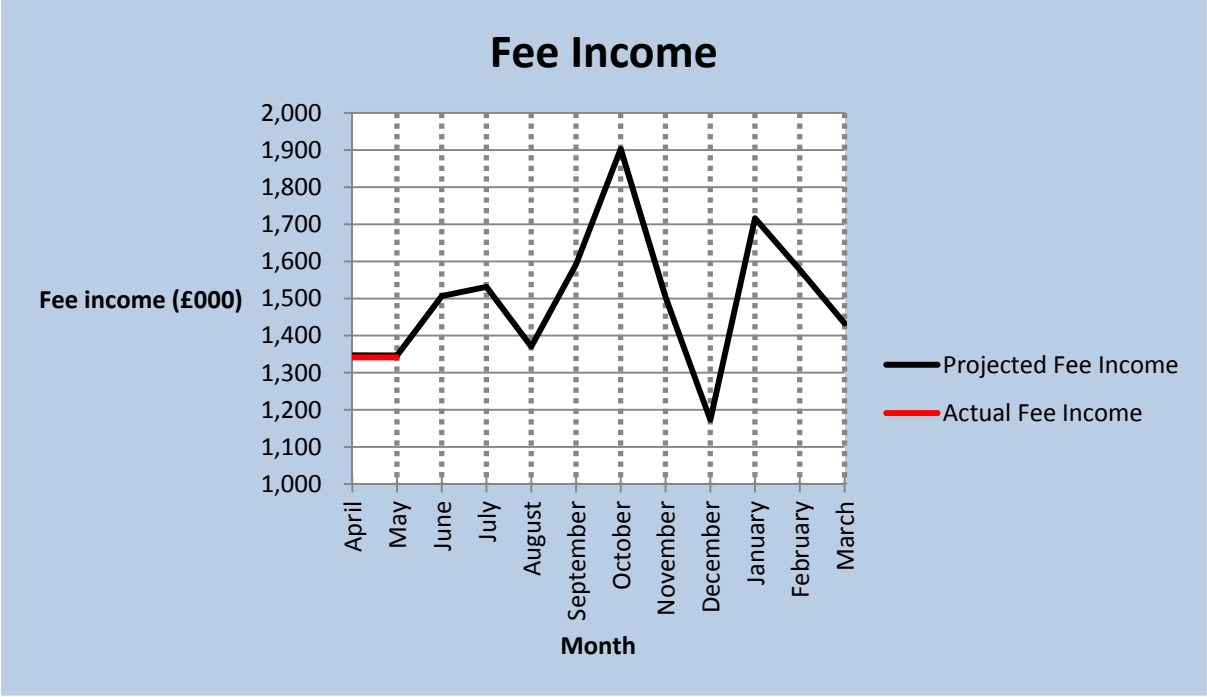
INCOME

Grant-in-aid for freedom of information activities

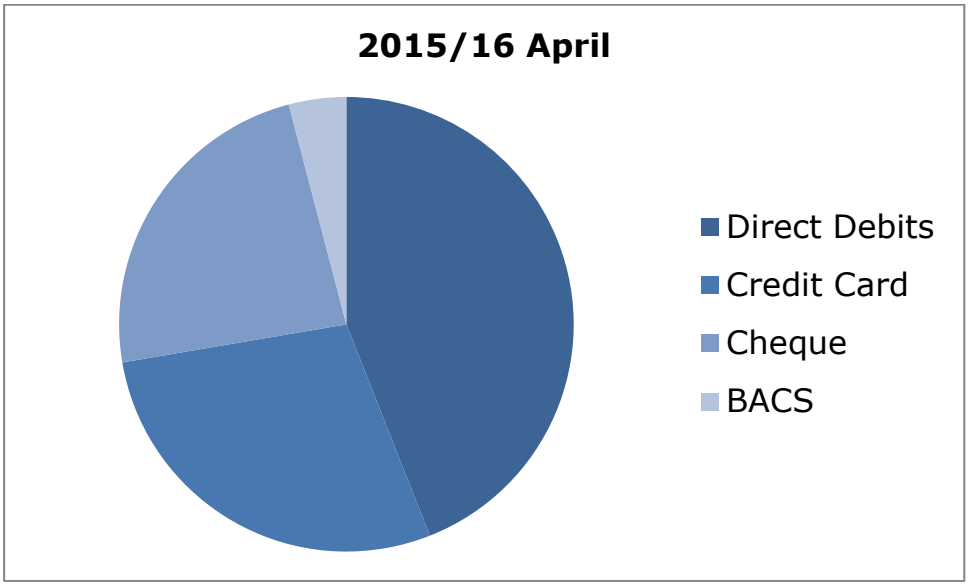
The grant-in-aid available for drawdown over 2015-16 has been confirmed at £3.7M, the first tranche of £938k has been drawn, three further drawdowns are expected in July, October and January of £921k.

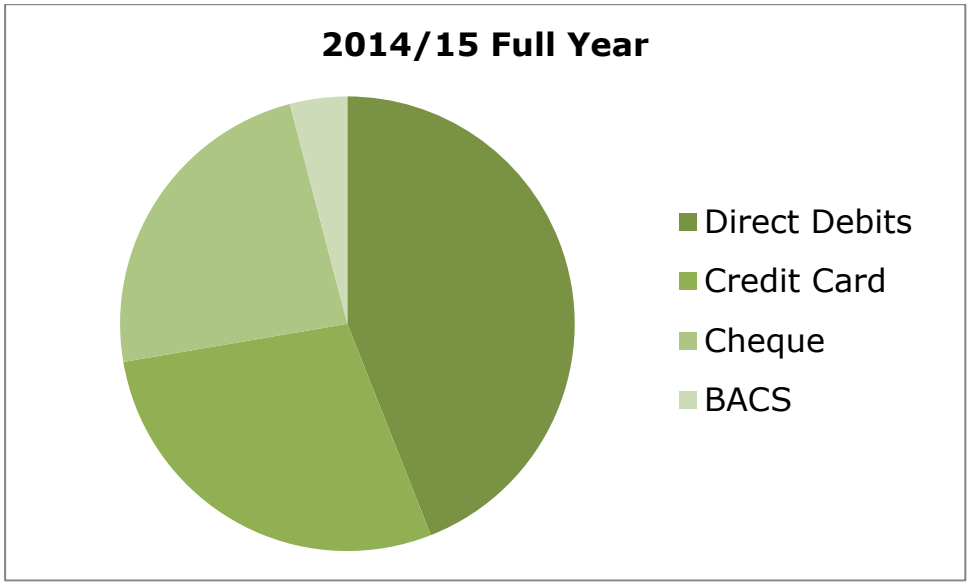
Data Protection fees processed

The chart below shows the actuals vs our current budget for the year 2015/16



The year to date fee income split is shown below:





EXPENDITURE

Spending controls

The ICO is complying with the Cabinet Office Spending Controls Guidance v 4.0

https://www.gov.uk/government/publications/cabinet-office-controls/cabinet-office-controls-guidance-version-40

We are also required to obtain specific MOJ approval for any IT or communications spend over £50k for individual projects. We will only be required to report spend over £50k not included in the original budget. No such spend has occurred to date.

Total office costs

Total office costs are 23% over budget due to the lift work that has been completed in April. The budget will be re-profiled to represent the actual spend; the full year budget is not expected to overspend.

Total staff FTE report and costs

Staff costs have come in £46k below forecasts for April. This is due to vacancies currently in recruitment. From the FTE compliment report (at the bottom of management report); there are 42.3 vacancies at present. 36 of these vacancies have been budgeted to be filled by July 2015, which leaves unfilled vacancies at 6 in the current month. Work is underway to fill these vacancies as soon as possible.

Training and Recruitment

Spend in recruitment is over budget by £2k as work commences to fill the vacancies. Little training has taken place during April, however this budget will spend to budget overall.

IT Costs – Service Delivery

Little work has been engaged with regard to security, GSI and maintenance contracts, which has led to an underspend within April of £21k. The budget will be re-profiled to reflect this for May 2015.

IT Projects

No project work has been billed as yet as our capital spend is still in some doubt with the MOJ. On approval, we will profile our expected project spend appropriately.

Communications Spend

The communications budget has overspent to the planned budget by £7k (21%), due to a full year media cost that has not been appropriately spread – this will be reflected in May accounts.

Banking, finance & audit costs

We are waiting for a reliable estimate of card charges for April to bring financial costs to within budget – this will be reflected in the May accounts.

Staff travel

Travel costs are over budget, however this is due to fluctuations in travel requirements and not considered to be a risk.

Legal, professional & other

All legal billing was completed up to March 2015, hence there is very little spend for ongoing legal costs, however this is expected to spend to budget.
Other costs relating to professional fees and subscriptions tend to be front loaded hence the overspend of £5k across each category is not considered to be of risk.

CAPITAL EXPENDITURE

There is no capital expenditure to date.

Simon Entwisle, Deputy Chief Executive Officer April 2015

MANAGEMENT REPORT

For the One Month Ending 30 April 2015
ICO

	Year to Date				Full Year			
	Budget BV1(2015/16 V1 (£)	Actual (£)	Variance (£)	Var %	Budget BV1(2015/16 V1 (£)	Forecast (£)	Variance (£)	Var %
GRANT IN AID	937,500	937,500	0	0%	3,700,000	3,700,000	0	0%
DP FEE INCOME	1,346,603	1,340,715	5,888	0%	18,000,000	17,994,112	5,888	0%
DRIPA INCOME	27,500	27,500	0	0%	330,000	330,000	0	0%
TRAVEL INCOME - UK	0	452	(452)	0%	0	452	(452)	0%
TRAVEL INCOME - OVERSEAS	0	286	(286)	0%	0	286	(286)	0%
LEGAL COSTS RECOVERED	0	774	(774)	0%	0	774	(774)	0%
CONFERENCE INCOME	0	100	(100)	0%	44,000	44,100	(100)	0%
TOTAL INCOME	**2,311,603**	**2,307,327**	**4,276**	**0%**	**22,074,000**	**22,069,724**	**4,276**	**0%**
Income Check	*(2,311,603)*	*(2,307,327)*	*(4,276)*	*0%*	*(22,074,000)*	*(22,069,724)*	*(4,276)*	*0%*
RENT	64,792	58,305	6,487	10%	777,512	771,025	6,487	1%
RATES	17,673	26,144	(8,471)	(48%)	212,080	220,551	(8,471)	(4%)
SERVICE CHARGES	1,910	4,423	(2,513)	(132%)	22,920	25,433	(2,513)	(11%)
CAR PARKING	8,848	8,751	97	1%	106,177	106,080	97	0%
HEAT & LIGHT	7,000	(106)	7,106	102%	84,000	76,894	7,106	8%
WATER	1,333	0	1,333	100%	16,000	14,667	1,333	8%
CLEANING	4,900	5,296	(396)	(8%)	58,800	59,196	(396)	(1%)
SECURITY	3,536	7,877	(4,341)	(123%)	42,432	46,773	(4,341)	(10%)
WASTE	338	401	(63)	(19%)	4,056	4,119	(63)	(2%)
STORAGE	1,156	1,580	(424)	(37%)	13,872	14,296	(424)	(3%)
PHOTOCOPYING	0	106	(106)	0%	0	106	(106)	0%
REPAIRS & MAINTENANCE	2,083	37,400	(35,317)	(1695%)	25,000	60,317	(35,317)	(141%)
MOTOR COSTS	167	18	149	89%	2,000	1,851	149	7%
KITCHEN	4,167	3,996	171	4%	50,004	49,833	171	0%
FURNITURE	1,956	889	1,067	55%	23,475	22,408	1,067	5%
GENERAL EQUIPMENT	2,917	3,671	(754)	(26%)	35,000	35,754	(754)	(2%)
STATIONERY	2,500	2,553	(53)	(2%)	30,000	30,053	(53)	0%
POSTAGE	6,167	1,112	5,055	82%	74,000	68,945	5,055	7%
DOCUMENT DESTRUCTION	833	84	749	90%	10,000	9,251	749	7%
TOTAL OFFICE COSTS	**132,276**	**162,500**	**(30,224)**	**(23%)**	**1,587,328**	**1,617,552**	**(30,224)**	**(2%)**
SALARIES	884,255	834,456	49,799	6%	11,370,824	11,321,024	49,799	0%
OVERTIME	5,000	7,530	(2,530)	(51%)	60,000	62,529	(2,530)	(4%)
PENSION	184,152	165,993	18,159	10%	2,366,793	2,348,634	18,159	1%
NATIONAL INSURANCE	61,898	57,374	4,524	7%	795,958	791,434	4,524	1%
AGENCY STAFF	0	23,647	(23,647)	0%	0	23,647	(23,647)	0%
NON EXEC BOARD MEMBER	4,208	4,631	(423)	(10%)	50,500	50,923	(423)	(1%)
TOTAL STAFF COSTS	**1,139,513**	**1,093,630**	**45,884**	**4%**	**14,644,075**	**14,598,191**	**45,884**	**0%**
RECRUITMENT	4,167	6,293	(2,126)	(51%)	50,000	52,126	(2,126)	(4%)
HEALTH & SAFETY	2,083	201	1,882	90%	25,000	23,118	1,882	8%
FURTHER EDUCATION	416	0	416	100%	5,000	4,584	416	8%
TRAINING COURSES	7,583	1,817	5,766	76%	91,000	85,234	5,766	6%
CONFERENCES	6,000	5,738	262	4%	116,000	115,738	262	0%
MANAGEMENT DEVELOPMENT	1,000	510	490	49%	12,000	11,510	490	4%
TOTAL TRAINING AND RECRUITMENT	**21,249**	**14,559**	**6,690**	**31%**	**299,000**	**292,310**	**6,690**	**2%**
HOSTING, WEB AND TELEPHONY	58,333	60,283	(1,950)	(3%)	699,997	701,947	(1,950)	0%
APP & DESKTOP SUPPORT	56,667	57,132	(465)	(1%)	680,000	680,465	(465)	0%
SOFTWARE LICENSING	23,750	18,057	5,693	24%	285,000	279,307	5,693	2%
SECURITY CONTRACT	5,833	0	5,833	100%	70,000	64,167	5,833	8%
NOTIFICATION PRINTING	12,917	15,296	(2,379)	(18%)	155,000	157,379	(2,379)	(2%)
MANAGED PRINT	3,519	0	3,519	100%	42,231	38,712	3,519	8%
HARDWARE MAINTENANCE	6,667	2,634	4,033	60%	80,000	75,967	4,033	5%
GOV SECURE INTERNET	10,833	0	10,833	100%	130,000	119,167	10,833	8%
TELEPHONY CALLS & BROADBAND	7,667	11,430	(3,763)	(49%)	92,000	95,763	(3,763)	(4%)
TOTAL IT COSTS	**186,186**	**164,832**	**21,354**	**11%**	**2,234,228**	**2,212,874**	**21,354**	**1%**

MOBILE WORKING SOLUTIONS	0	168	(168)	0%	0	168	(168)	0%
OTHER PROJECT WORK	1,435,000	5,043	1,429,957	100%	1,435,000	5,043	1,429,957	100%
TOTAL PROJECT SPEND (INC CAPITAL)	**1,435,000**	**5,211**	**1,429,789**	**100%**	**1,435,000**	**5,211**	**1,429,789**	**100%**
CAMPAIGNS, MEDIA RELATIONS & PR	3,750	0	3,750	100%	45,000	41,250	3,750	8%
MEDIA MONITORING	3,750	27,339	(23,589)	(629%)	45,000	68,589	(23,589)	(52%)
DESIGN & PRINT	4,583	2,079	2,504	55%	55,000	52,496	2,504	5%
DISTRIBUTION	3,333	0	3,333	100%	40,000	36,667	3,333	8%
SURVEYS	5,500	896	4,604	84%	66,000	61,396	4,604	7%
CONFERENCES	6,000	5,738	262	4%	116,000	115,738	262	0%
ICON DEVELOPMENT	2,000	1,325	675	34%	24,000	23,325	675	3%
STAFF EVENTS	500	0	500	100%	6,000	5,500	500	8%
WEB MAINTENANCE	2,500	1,348	1,152	46%	30,000	28,848	1,152	4%
TOTAL COMMUNICATIONS	**31,916**	**38,725**	**(6,809)**	**(21%)**	**427,000**	**433,809**	**(6,809)**	**(2%)**
BANK CHARGES	3,333	3,382	(48)	(1%)	40,000	40,048	(48)	0%
CARD PROCESSING CHARGES	7,166	0	7,166	100%	86,000	78,834	7,166	8%
EXTERNAL AUDIT	2,500	2,708	(208)	(8%)	30,000	30,208	(208)	(1%)
INTERNAL AUDIT	4,167	3,285	882	21%	50,000	49,118	882	2%
TOTAL FINANCIAL COSTS	**17,166**	**9,375**	**7,791**	**45%**	**206,000**	**198,209**	**7,791**	**4%**
TRAVEL UK	29,585	24,447	5,138	17%	355,000	349,862	5,138	1%
TRAVEL OVERSEAS	3,334	3,625	(291)	(9%)	40,000	40,291	(291)	(1%)
TOTAL TRAVEL	**32,919**	**28,072**	**4,847**	**15%**	**395,000**	**390,153**	**4,847**	**1%**
LEGAL	24,999	1,070	23,929	96%	300,000	276,071	23,929	8%
LIBRARY & SUBSCRIPTIONS	6,624	11,383	(4,759)	(72%)	79,500	84,259	(4,759)	(6%)
PROFESSIONAL SUBS	0	980	(980)	0%	0	980	(980)	0%
RESEARCH	0	576	(576)	0%	0	576	(576)	0%
PROFESSIONAL SERVICES	14,374	18,924	(4,550)	(32%)	172,500	177,050	(4,550)	(3%)
OTHER	0	3,192	(3,192)	0%	0	3,192	(3,192)	0%
TOTAL LEGAL, PROFESSIONAL & OTHER	**45,997**	**36,126**	**9,871**	**21%**	**552,000**	**542,129**	**9,871**	**2%**
TOTAL COSTS	**3,042,223**	**1,553,030**	**1,489,193**	**49%**	**21,779,631**	**20,290,438**	**1,489,193**	**7%**
Cost check	*3,036,223*	*1,547,292*	*1,488,931*	*49%*	*21,663,631*	*20,174,700*	*1,488,931*	*7%*
SURPLUS	**(730,620)**	**754,298**	**(1,484,917)**	**203%**	**294,369**	**1,779,287**	**(1,484,917)**	**(504%)**

FTE Staff Analysis

Permanent Staff Band A	9.6	9.6	0.0	0.0	9.6	9.6	0.0	0.0
Permanent Staff Band B	34.7	21.7	13.0	0.4	34.7	21.7	13.0	0.4
Permanent Staff Band C	122.9	111.3	11.6	0.1	122.9	111.3	11.6	0.1
Permanent Staff Band D	90.9	78.8	12.1	0.1	90.9	78.8	12.1	0.1
Permanent Staff Band E	93.3	84.1	9.2	0.1	93.3	84.1	9.2	0.1
Permanent Staff Band F	48.4	39.2	9.2	0.2	48.4	39.2	9.2	0.2
Permanent Staff Band G	12.0	12.0	0.0	0.0	12.0	12.0	0.0	0.0
Permanent Staff Band H	3.0	3.0	0.0	0.0	3.0	3.0	0.0	0.0
Agency Staff Band B	0.0	3.4	(3.4)	0.0	0.0	3.4	(3.4)	0.0
Agency Staff Band C	0.0	5.8	(5.8)	0.0	0.0	5.8	(5.8)	0.0
Agency Staff Band D	0.0	3.6	(3.6)	0.0	0.0	3.6	(3.6)	0.0
Total FTE staff	**414.8**	**372.5**	**42.3**	**0.1**	**414.8**	**372.5**	**42.3**	**0.1**